

**Over
\$3 Million
Settlement:
BREACH OF CONTRACT**

SOFTWARE ENTREPRENEUR SETTLES BREACH OF CONTRACT SUIT AGAINST TECH COMPANY

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Hark Vasa is a true American success story. An electrical engineer from Mumbai, India, Mr. Vasa immigrated to the United States in 1967, continued his education, and became a U.S. citizen.

In 1983, he bought a majority interest in Pacific Decision Sciences Corp., a small California software company nearing bankruptcy. With decades of hard work and determination, Mr. Vasa, as President and CEO, turned PDSC into a company with \$10 million in annual revenue, over \$3 million in annual profits and 75 employees worldwide.

Mr. Vasa decided that to enable PDSC to grow at a faster pace and expand business globally, it needed to team up with a larger company. A Texas investment banking firm specializing in mergers and acquisitions was hired to find a merger partner. Many companies were interested in acquiring PDSC.

In October 2000, PDSC entered into a merger agreement with Applied Digital Solutions, a Florida-based information technology corporation. ADS had acquired about fifty other companies in the preceding four years, often using its publicly-traded common stock to pay part of the acquisition price.

The merger agreement provided for ADS to acquire PDSC in exchange for ADS common stock, split among Mr. Vasa and the other PDSC shareholders. The agreement required ADS to register these shares with the Securities and Exchange Commission, which would allow the stock to be sold in the open market.

ADS did not comply with its contractual obligations to use its best efforts to effect the registration as expeditiously as possible. The delay in effecting the registration resulted in substantial losses to Mr. Vasa, as the share price plummeted in the interim.

Mr. Vasa hired Paul Traina of Engstom, Lipscomb, and Lack in Los Angeles to pursue his breach of contract action. Since the contract called for litigation to be undertaken in Palm Beach County, Mr. Traina sought the assistance of SDSBS attorneys Jack Scarola and Pat Quinlan. Working together on both coasts, this team of litigators was within two weeks of trial when they settled the case at mediation for over \$3 million. In addition, Mr. Vasa has been authorized to operate a new business venture as an affiliate of Applied Digital Solutions. ■

